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Media Statement

3 February 2017

SAM CALLS ON KELANTAN GOVERNMENT TO CANCEL CARBON OFFSET DEAL

Sahabat Alam Malaysia (SAM) is deeply concerned by the intention of the Kelantan State Government to enter into a carbon offsetting deal with a carbon trading company involving 25% of its forested land.

It is equally troubling to read the positive angle adopted by media reports in praising the 30-year concession which covers a staggering 396,000ha of forests with the credit generated to be sold to the European carbon market.

Carbon-offsetting schemes have already been found to be ineffective in addressing emissions. In fact it is a distraction from real actions to halt global warming. Furthermore, it is well-documented that the carbon trading markets are plagued with irregularities, uncertainties and flaws and do not actually deliver on the promised emission cuts that the world urgently needs to prevent catastrophic climate change.

There is substantive confusion arising from the information following the signing of the deal on January 9 between the Kelantan State Government and Climate Change Protector (CCP) Sdn Bhd, the company involved.

It is unclear if the state has already awarded the concession as part of the deal in engaging the company to audit its carbon stock as a first step to realise the project.

Therefore, we call upon the Kelantan Government to clarify this particular aspect of the deal.

It will also be prudent for the state to seek the advice and technical expertise within the Ministry of Natural Resources and Environment (MNRE) to assess the details of the deal.

We would also like to point out the misrepresentation involved in the promotion of the deal as a United Nations-initiated mechanism in reducing emissions from the forestry sector known as Reducing Emissions from Deforestation and Forest Degradation (REDD), when it is not the case.

Carbon-offsetting deals pursued by the private sector is not to be confused with the UNFCCC's REDD-plus mechanism that to this day, has only agreed on results-based payments for developing countries that are eligible to be rewarded for keeping their forests as carbon sinks. There is at present no carbon-offsets under the REDD-plus mechanism.

Notwithstanding the fact that land and forests are under the state's jurisdiction, at this juncture, it has to be pointed out that the Malaysian government has already submitted a proposal to seek international finance for the forest areas in its territory which includes forests in Kelantan.

We urge MNRE to pay immediate attention to the move by the Kelantan state government in selling its forest carbon as this will inevitably affect the Federal government's intention to access international funding for the forestry sector.

Other states that are ill-advised on the complexity of forest carbon trading and the United Nations Framework Convention on Climate Change negotiations are at risk of being misled and exploited under the guise of getting benefits that will not be realised.

Furthermore, the Kelantan incident is indicating a breakdown in the Federal-State coordination in implementing national climate actions which the country has pledged to the world through its Nationally Determined Contributions as a signatory to the Paris Agreement.

In the event that the Kelantan offset deal is realised, the exclusion of Kelantan's forest will potentially affect the country's commitment to reduce its greenhouse gas emissions intensity of GDP by 45% by 2030 relative to 2005 emissions level as whatever reductions made through the carbon-offset cannot be counted as the country's contribution.

SAM calls on the Kelantan State Government to cancel the carbon-offsetting deal and urges the Federal MNRE to advise the Kelantan Government accordingly against proceeding with this deal.

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